

# UK Government must end austerity and provide the much-needed funding boost for public services and the economy – Mark Drakeford

In a letter to the Chief Secretary to the Treasury, Finance Secretary Mark Drakeford set out Wales' priorities ahead of the Autumn Budget on Monday 29 October 2018.

The Finance Secretary is urging the UK government to make a series of commitments to Wales, including:

- delivering on its promise that Wales will not lose a penny of funding from the decision to leave the EU
- increasing our borrowing capacity to support ongoing investment priorities
- assurance that the costs arising from the recently announced pay deals and pension changes will be fully funded
- continuing constructive joint working on the four new tax ideas
- recognise expert reports and reverse the decision not to devolve Air Passenger Duty to Wales
- address the significant under-investment in Wales' rail infrastructure and commit to an equitable share of rail funding for Wales

Finance Secretary Mark Drakeford said:

“We have repeatedly called for an end to the UK Government's failed austerity policy. Whilst I cautiously welcome the Prime Minister's recent indication that austerity is coming to an end, I look forward to hearing what this means in practice. It's time for the UK Government to increase public spending to meet the growing demands for public services and repair the damage inflicted by a decade of cuts.

“There remains significant pressure on the resources available to the Welsh Government to invest in infrastructure. We already make full use of our borrowing capacity, but in order to continue to deliver our ongoing investment priorities we need to see an increase.

“We have consistently called for an end to the cap on public sector pay, so we welcome announcements of pay deals in excess of 1%. We now expect the UK Government to provide the requisite funding – for all workforce groups – to avoid increases in pay impacting on the delivery of vital public services.”

The Finance Secretary also urged the UK government to ensure that Wales receives the same level of funding from current EU programmes after Brexit – without any top slicing or conditions attached.

He added:

“Brexit related uncertainties continue to depress the growth prospects for Wales and the UK as a whole. The Chief Economist’s Report published earlier this month, notes, in line with a range of independent experts, that our economy may already be around 2 per cent smaller as a result of the referendum result. A no-deal Brexit is likely to be catastrophic for the Welsh economy.

“I expect the UK Government to deliver the referendum promise that Wales would not lose out on a penny from the decision to leave the EU. Withdrawal from the EU must not take money from our communities or restrict our ability to continue investing in the economy and people of Wales.”

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## Wales and Scotland Health Secretaries raise serious concerns about EU Settlement Scheme

Both Health Secretaries believe including family members in the scheme would potentially help remove some of the uncertainty for EU staff at this unsettling time. It would also send a clear signal of how much the contribution they make to health and social care services across the UK is valued.

In the letter, the Secretaries state their view that the scheme as currently proposed is much more likely to deter, rather than to encourage, our EU staff from taking the opportunity to clarify their immigration status ahead of the UK leaving the EU on 29 March 2019.

They have called for the UK Government to reconsider their decision or the Welsh and Scottish Government will not actively promote the scheme to health and social care staff in Wales and Scotland.

Health Secretary Vaughan Gething said:

“We want to be able to provide a level of certainty for EU staff and their families working in the health service in Wales. They deserve nothing less and we pay tribute to those who come from the

EU and beyond who provide care and life-saving treatment to the people of Wales.

“These proposals are simply unacceptable as they stand. They add to a feeling of huge frustration fuelled by the severe lack of meaningful engagement with us on the wide range of challenges facing the NHS across UK post-Brexit.

“Unless the UK Government changes its mind and makes the decent decision we will not be promoting the scheme in Wales although it will be open to health and social care staff in Wales to apply for settled status as part of the pilot if they choose to do so.”

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## [£1.7 million EU funds to boost Wales' manufacturing sector](#)

The EU funding will support small and medium-sized enterprises to maximise the use of advanced technology to create new and improved processes and products as part of the £2.8 million Advanced Design Engineering project.

Led by the University of Wales Trinity St David, the project will support manufacturing businesses to move away from traditional manufacturing methods to new processes, helping to increase their competitiveness and sustainability in global markets.

Finance Secretary Mark Drakeford said:

“This EU-funded scheme will equip the Welsh manufacturing sector with the knowledge needed to take advantage of emerging technology trends to compete in global markets.

“This investment will help drive employment, productivity and growth in our economy.”

Professor Medwin Hughes, vice chancellor of University Wales Trinity St David, added:

“The university has a long tradition of working in partnership with industry and delivering programmes and collaborations which meet the needs of industry. We are delighted to have secured funding to deliver the next level of collaborations, which will allow us to work with the manufacturing sector to respond to the technological challenges of the fourth industrial revolution.

“It will also enable us to support manufacturing SMEs to embrace the significant opportunities to help Welsh industry – particularly the manufacturing sector – respond to rapid technological change.

“The university shares the Welsh Government’s ambition to secure future employment, productivity and growth in the country’s economy and is very pleased to be making its research capabilities in advanced manufacturing available to companies by collaborating in this way.”

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## [Funding announced to prepare health service in Wales for Brexit](#)

Mr Gething announced the funding, from the Welsh Government’s £50m EU Transition Fund, following a meeting with key health and social services partners about Brexit preparations yesterday (Thursday, 25 October).

The Welsh NHS Confederation will receive £150,000 over two years to provide support to Welsh NHS boards and trusts to prepare for Brexit. The money will fund a Brexit Transition Support Programme to enable them to increase awareness, support members to prepare for Brexit and provide a coordinated response in terms of contingency planning.

Public Health Wales will receive £60,000 to help strengthen resilience for health security and health protection in Wales.

Mr Gething said:

“As we move into this critical phase, it is important that we are prepared for all possible outcomes for Brexit, including the possibility of a no-deal.

This funding will help the health service in Wales to ensure the smooth and effective running of services for patients and service users following our withdrawal from the European Union.”

Vanessa Young, Director of the Welsh NHS Confederation said:

“We are pleased to have secured this funding which will help us to support communication and engagement between the NHS and Welsh Government as we prepare and respond to EU withdrawal, in whatever form that takes.

“We will use the funding to help Welsh Government coordinate specific Brexit actions across the NHS and to represent Welsh interests in the UK wide Cavendish Coalition and Brexit Health Alliance.

“The immediate priority is to ensure plans are in place across the health and care system in Wales to manage a no deal Brexit, should that happen. Whatever the outcome of negotiations the NHS potentially faces a number of challenges, including the supply of goods and medicines; protecting public health; and maintaining our valued EU workforce. Ultimately our ambition is for patients to see no difference in the level of service we’re able to provide after we leave the EU.”

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## [Economy Secretary applauds local construction company on employment practices](#)

The Jehu Group is a Bridgend based, family run business and is currently building a housing scheme on behalf of Newydd Housing Association. The new development, Yr Hen Fuarth will provide 44 brand new homes for affordable rent in the Treforest area.

With its commitment to developing its workforce, recruiting locally, operating sustainably and promoting wellbeing, Jehu demonstrates many of the business behaviours that the Welsh Government is trying to drive through its Economic Action Plan and Economic Contract.

Ken Skates said.

“It was real pleasure to visit Jehu and see its progress in delivering this impressive development which will provide over 40 brand new affordable rental homes in the Pontypridd area.

“Jehu Group is demonstrating many of the responsible business behaviours that we are working hard to embed within Welsh business and its proactive campaign to tackle mental health in the workplace and promote wellbeing is of particular interest.

“Earlier this year as part of the delivery of our Economic Action Plan I was pleased to launch our new Economic Contract. Its aim is to develop a new relationship between the Welsh Government and business that is based on the principle of public investment with a

social purpose.

“That means that companies who come to us for support now need to work with us and commit to the principles of growth, fair work, health, skills and learning and decarbonisation and I am pleased to report that the Welsh Government now has Economic Contracts in place with 84 companies.

“The Economic Contract is all about testing how a company contributes to the wealth and wellbeing of its workers and the wider community and then spreading that good practice. It is a real pleasure to be visiting one of the many companies in Wales who are leading by example.”

Simon Jehu, Managing Director at Jehu said,

“I welcome the principles behind the Welsh Governments economic contract, which seeks to drive public investment with a social purpose. As a family business we have always sought to operate in a responsible and sustainable manner with a particular focus creating a caring culture amongst our workforce.”

“We are privileged, alongside our partners such as Newydd Housing Association, to be able to create legacy for future generations through the homes we build and the wider contribution to the communities in which we work. It is good to see recognition of such strong values emerging in Government economic policy.”

Paul Roberts, Chief Executive for Newydd added:

“For Newydd, as a responsible social landlord, it is great to be working with another responsible business in Jehu. This development will not only provide some fantastic affordable homes for the local community, it is also providing employment opportunities during its construction.

“Newydd has a dedicated employability service, which through our community benefits contractor scheme, has seen one of our tenants, Dafydd, join the construction team as an apprentice. Jehu provide practical learning experience on site, which means that Dafydd, gets the support he needs to forge a career in construction.”